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FOREIGN SERVICE DESPATCH

773.5 MSP/11-1356
XR 611.93
11-21-56

FROM : AMEMBASSY TRIPOLI

195
DESP. NO.

TO : THE DEPARTMENT OF STATE, WASHINGTON.

November 13, 1956
DATE

REF : Embassy Despatch No. 194, November 13, 1956

For Dept. Use Only	ACTION	DEPT.
	REC'D 11 19	INFO NEA-4 NEA/AFM-2 NEA/RA-2 OLI-6 E-4 ICA-10 OMA-4 OTHER CIA-12 OSD-4 TR-3 Army-4 Navy-3

SUBJECT: Libyan-American Reconstruction Commission: Program Status as of September 30, 1956

Joint Embassy/USOM Message

The Embassy/USOM transmit as Enclosure No. 1 six copies of LARC's program status report of September 30, 1956, which includes a balance sheet as of the same date. The Department/ICA will note from the balance sheet that:

a) the $7,000,000 tentatively committed from ICA Development Assistance funds for US fiscal year 1957 has not been entered as a contribution, since project agreements for this amount have not yet been signed;

b) the funds received by September 30 do not include the $4,000,000 of special funds for US FY 1957 (received in October) nor do they include $1,400,000 of the ICA DA funds contributed in US FY 1956. This latter amount represents the allocation for additional capitalization of the National Agricultural Bank, which is being held in abeyance by USOM/L pending a satisfactory solution of certain problems involved in the organization of the bank (see TOICA A-254).

The program status report itself shows earmarkings of LL9,606,142 ($26,897,198), which would leave a free balance of only $1,170,503 from the $28,067,701 expected total contributions (plus earned interest) through June 30, 1957. This amount would not cover the prospective amount of about $2,000,000 needed for a down payment in connection with the financing of the Tripoli power plant rehabilitation. However, LARC's Executive Director is now going over the previous earmarkings to identify those projects for which an apparently excessive amount was earmarked, and he expects to be able to propose cancellation of an amount more than sufficient to cover the power-plant down payment and the local costs of $840,000 as well, in the probable event that LARC is requested to finance the local costs. As will be noted, actual allocations through September 30 total only LL8,150,842 ($22,822,358), leaving an unallocated balance (from total expected contributions and interest) of $5,245,343.

Enclosure:
LARC's Program Status
(6 copies)

For the Ambassador

Rodger P. Davies
Counselor of Embassy

cc: Benghazi

FKLubby:rjt
REPOSITORY

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Cleared in draft with: USOM - MJGordon

DEPARTMENT OF STATE A/CDC/MR
REVIEWED BY J. W. Rapp DATE May 6, 1976

ACTION COPY — DEPARTMENT OF STATE

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